

State of Utah
Standard Course Outline

REAL ESTATE PRINCIPLES AND PRACTICES
90 HOURS (includes 9 hours for testing)

| CONTENT OUTLINE | LEARNING OBJECTIVES - Upon completion of this segment the student will be able to: |
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| I. OWNERSHIP OF REAL ESTATE - 12 HOURS | |
| A. Concepts of Property <ol style="list-style-type: none"> 1. Bundle of rights concept 2. Definition of real property 3. Definition of personal property 4. Land, minerals and emblements of the soil 5. Fixtures <ol style="list-style-type: none"> a. Definition of fixtures b. Trade fixtures | <ol style="list-style-type: none"> A. define and describe real property, land, and real estate, and distinguish between real and personal property. B. explain the bundle of rights. C. describe surface rights, subsurface rights and air rights. D. distinguish between improvements, fixtures and trade fixtures, and identify the legal tests of a fixture. E. list the economic and physical characteristics of real property. |
| B. Concepts of Estates in Real Property <ol style="list-style-type: none"> 1. Definition of an estate in land 2. Freehold estates <ol style="list-style-type: none"> a. Fee simple b. Determinable, conditional, or qualified c. Life estates 3. Leasehold estates | <ol style="list-style-type: none"> A. describe a freehold estate and list the types of freehold estates. B. explain the difference between ownership in severalty and concurrent ownership. C. distinguish the various types of concurrent tenancies: tenancy in common, the joint tenancy and tenancy by the entirety. |
| C. How Title is Held <ol style="list-style-type: none"> 1. Severalty <ol style="list-style-type: none"> a. Individuals b. Business entities; i.e., corporations, partnerships | <ol style="list-style-type: none"> A. compare and contrast the various types of ownership, and indicate situations when each would be appropriate or required. B. identify the advantages of each form of ownership. |

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| <ul style="list-style-type: none"> 2. Concurrent (co-ownership or joint ownership) <ul style="list-style-type: none"> a. Tenancy in common b. Tenancy by the entirety c. Joint tenancy with right of survivorship | |
| <p>D. Hybrid Forms of Ownership</p> <ul style="list-style-type: none"> 1. Condominium 2. Cooperative 3. Townhouse 4. Timeshare/interval ownership 5. Planned Unit Development (PUD) | <ul style="list-style-type: none"> A. describe the difference between a cooperative and a condominium B. describe the concept of time-sharing. C. define and describe a planned unit development. |
| <p>E. Restrictions and Encumbrances on the Ownership of Real Estate</p> <ul style="list-style-type: none"> 1. Liens <ul style="list-style-type: none"> a. Specific and general b. Establishing lien priority 2. Restrictive covenants or deed restrictions 3. Easements <ul style="list-style-type: none"> a. Classifying easements: appurtenant, in gross, commercial b. Creation of easements: express, implied, by legal action c. Termination of easements 4. Encroachments 5. Property tax | <ul style="list-style-type: none"> A. define the term encumbrance and give five examples B. define the terms lien and restriction and give two examples of each. C. define and give examples of an appurtenant easement, easement in gross, party wall easement, easement by necessity, easement by condemnation. D. describe and give examples of an encroachment. E. describe a judgment lien and its effect on title. |
| <p>F. Transferring Ownership (Conveying Title)</p> <ul style="list-style-type: none"> 1. By deed (voluntary alienation) 2. By devise in a will (testate succession) 3. By descent (intestate succession) 4. By act of law (involuntary alienation) <ul style="list-style-type: none"> a. Eminent domain (condemnation) b. Lien foreclosure c. Adverse possession d. Escheat 5. Essential elements for a deed | <ul style="list-style-type: none"> A. define and discuss title as it pertains to real estate. B. describe voluntary alienation and list ways property is transferred voluntarily. C. list the requirements for a valid deed. D. identify and describe a general warranty, special warranty, quitclaim, judicial and special purpose deeds. E. describe involuntary alienation and list ways property is transferred involuntarily. F. describe the difference between title insurance and an abstract of title. |

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| <ul style="list-style-type: none"> 6. Types of deeds <ul style="list-style-type: none"> a. General warranty b. Special warranty c. Quitclaim d. Judicial and special purpose 7. Assurance of the quality of title <ul style="list-style-type: none"> a. Title examination and the chain of title b. Title insurance and its purpose c. Abstract of title and opinion of title d. Recording and its importance 8. Legal description <ul style="list-style-type: none"> a. Metes and bounds b. Rectangular or governmental survey c. Platted subdivision d. By inference or informal reference e. Publicly recorded documents | <ul style="list-style-type: none"> G. define chain of title, marketable title, actual and constructive notice. H. list three advantages of title insurance. I. describe the recording process and its importance. J. discuss the three methods of describing real estate. K. explain the importance of an accurate legal description. |
| <p>G. Land Use Controls</p> <ul style="list-style-type: none"> 1. Zoning <ul style="list-style-type: none"> a. Purpose of zoning b. Zoning districts c. Variances d. Nonconforming use 2. Building codes | <ul style="list-style-type: none"> A. list and explain the methods of controlling land use. B. discuss the effect of police power on privately owned land. C. discuss zoning and its purpose D. define nonconforming use, variance and conditional use permits. E. give three examples of deed restrictions and restrictive covenants and discuss the methods of creating and enforcing these. |
| <p>II. REAL ESTATE BROKERAGE AND THE LAW OF AGENCY - 6 HOURS</p> | |
| <p>A. Types of Agency</p> <ul style="list-style-type: none"> 1. Universal 2. General 3. Special | <ul style="list-style-type: none"> A. explain the term “agency” B. define and explain the relationship between agent subagent, client and customer. |

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| <p>B. Source and Extent of the Agent's Authority</p> <p>C. Concepts of Agency and Subagency</p> <ol style="list-style-type: none"> 1. Independent broker 2. Brokerage firm with sales associates 3. Cooperating broker or MLS 4. Buyer broker <p>D. Fiduciary Duties of the Agent to the Principal</p> <ol style="list-style-type: none"> 1. Loyalty and obedience 2. Skill, care and diligence 3. Disclosure and nondisclosure of information 4. Accounting 5. Competency <p>E. Duties of the Agent to Others</p> <ol style="list-style-type: none"> 1. Client/customer differences and dual (limited) agency 2. Duty of honesty and fairness 3. Prohibited conduct <ol style="list-style-type: none"> a. Willful misrepresentation b. Negligent misrepresentation c. Fraud d. Puffing 4. Deceptive business practices 5. Consequences for breach of duties <p>F. Principal's Responsibilities</p> <ol style="list-style-type: none"> 1. Good faith 2. Compensation 3. Treat third parties fairly 4. Liabilities and consequences 5. Indemnification | <ol style="list-style-type: none"> C. define three types of agents and three types of principals. D. list the fiduciary duties owed to a client. E. know the obligations owed to a customer. F. understand that agency may be created by express agreement or implication. G. define and describe "subagency". H. distinguish between "limited agency" and "single agency". I. describe "designated agency". J. recognize difficulties that may arise with various types of agency and describe the ways to terminate an agency relationship in the practice of real estate. K. list the responsibilities of an agent to the broker. |
| <p>III. CONTRACTS - 8 HOURS</p> | |
| <p>A. Basic Contract Terms and Classifications</p> <ol style="list-style-type: none"> 1. Definition of contract 2. Express/implied 3. Bilateral/unilateral 4. Executed/executory 5. Valid/void/voidable | <p>A. define the following terms:</p> <ol style="list-style-type: none"> 1. contract 2. offer 3. acceptance 4. types of consideration 5. fraud |

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| | 6. duress 7. damages B. differentiate between: <ol style="list-style-type: none"> express contract and implied contract. bilateral contract and unilateral contract. <ol style="list-style-type: none"> give examples of each. fully executed contract and executory contract. <ol style="list-style-type: none"> give examples of each. valid, void and voidable contract. <ol style="list-style-type: none"> give situations from real estate practice that create void and voidable contracts. valid and enforceable contract and valid but unenforceable contract. <ol style="list-style-type: none"> give one or more examples of a valid but unenforceable contract. monetary damages, liquidated damages, and specific performance. <ol style="list-style-type: none"> give examples of each. |
| B. Essential Elements of a Contract <ol style="list-style-type: none"> Offer Acceptance Consideration Counteroffers Termination of the offer | A. list the essential elements of a contract and explain why each is important in a contract. B. explain what a counteroffer is, the correct procedure for creating one (including use of the addendum) and crossing out and initialing changes. C. describe the various means by which an offer can be terminated, including expiration of the time period, withdrawal of the offer, counteroffer, and rejection. |
| C. Reality of Consent <ol style="list-style-type: none"> Mistakes of fact or law Fraud and misrepresentation Duress Undue influence | A. define the following and explain the liability of either party or their agent when any of the following occur: <ol style="list-style-type: none"> mistakes of fact or law fraud and misrepresentation duress undue influence |

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| <p>D. The Statute of Frauds in Real Estate Contracts</p> <p>E. Discharge of Contracts</p> <ol style="list-style-type: none"> 1. Mutual agreement 2. Full performance 3. Impossibility of performance 4. Operation of law | <p>A. define the following and, as relates to the discharge or early termination of contracts, explain how each pertains to the practice of real estate:</p> <ol style="list-style-type: none"> 1. mutual agreement 2. full performance 3. impossibility of performance 4. operation of law <p>B. discuss the importance of completing a contract as agreed and knowing when other actions are appropriate reasons for early and legal termination of a contract.</p> |
| <p>F. Assignments of Contracts and Novation</p> | <p>A. contrast and compare assignments and novation and give examples from the practice of real estate when each might be used.</p> |
| <p>G. Remedies for Breach of Contract</p> <ol style="list-style-type: none"> 1. Monetary damages 2. Specific performance 3. Rescission 4. Liquidated damages | <p>A. explain how each of the remedies is applied in contract disputes.</p> |
| <p>H. Other Contract Considerations</p> <ol style="list-style-type: none"> 1. Capacity <ol style="list-style-type: none"> a. Age b. Competency c. Power of attorney d. Signatures of appropriate parties 2. Need for acknowledgment 3. Time is of the essence 4. Impact of blanks in pre-prepared contracts 5. Abbreviations in contracts | <p>A. define a power of attorney and differentiate between a specific or special power of attorney and a general power of attorney.</p> <p>B. define the term acknowledgment and give examples of when it should be used.</p> <p>C. explain the function of a notary public as relates to acknowledgment.</p> <p>D. describe the role of an agent in the legal process of preparing contracts.</p> <ol style="list-style-type: none"> 1. Understand the agent's legal right to only fill in blanks of state-approved or other approved forms |

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| | <ol style="list-style-type: none"> 2. understand the agent's obligation to encourage clients to seek the advice of an attorney at appropriate times. 3. understand the agent's responsibility to withdraw from contract negotiations when illegal acts are being performed. <p>E. define the following terms and explain how each applies to the Real Estate Purchase Contract:</p> <ol style="list-style-type: none"> 1. time is of the essence. 2. abrogation. 3. "as is" clause. |
| <p>I. Listing Contract Essentials</p> <ol style="list-style-type: none"> 1. Definition and purpose of the contract 2. Entitlement to a commission <ol style="list-style-type: none"> a. Licensed b. Existence of a valid listing contract c. Qualify under "ready, willing and able" clause 3. Types of listing contracts <ol style="list-style-type: none"> a. Open b. Exclusive agency c. Exclusive right-to-sell d. Net 4. Contract provisions <ol style="list-style-type: none"> a. Property description b. Listing price and terms of sale c. Brokerage fee d. Duration of contract e. Right to extend f. Property data information sheet and seller's disclosures g. Termination of listing | <ol style="list-style-type: none"> A. compare and contrast the following types of listing agreements and identify situations when each would be appropriate: <ol style="list-style-type: none"> A. open listing B. exclusive right-to-sell listing C. Exclusive agency listing D. Net listing B. define a net listing and explain why it is illegal or prohibited. C. define the meaning of "ready, willing and able" buyer as referred to in a listing agreement. D. understand there is no state approved listing contract. E. describe the following items associated with a listing contract: <ol style="list-style-type: none"> A. description B. listing price and terms of sale C. brokerage fee D. duration of contract E. how the contract can be terminated F. describe the benefits of the Seller's Property Disclosure form and how to reduce or eliminate the agent's responsibility for the accuracy and truthfulness of the disclosures made on the form. |

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| | <p>G. define the means by which a listing contract can be terminated, including:</p> <ol style="list-style-type: none"> 1. performance 2. abandonment 3. mutual agreement <p>H. describe why the listing is a bilateral contract.</p> |
| <p>J. Options</p> <ol style="list-style-type: none"> 1. Definition and purpose 2. Rights of the parties 3. Requirement of options 4. First right of refusal | <p>A. define, compare and contrast an option and a first right of refusal.</p> <p>B. define the essential requirements of a valid option contract including:</p> <ol style="list-style-type: none"> 1. termination date 2. terms of the purchase or lease 3. consideration <p>C. explain the purpose of an option and the rights of both the optionor and the optionee in the contract.</p> |
| IV. PROPERTY MANAGEMENT - 4 HOURS | Note: The remaining 8 hours are covered in other places in the course, as explained at the end of this section. |
| <p>A. Rights and Obligations of the Landlord and Tenant</p> <ol style="list-style-type: none"> 1. Landlord's duties to tenant 2. Tenants duties to landlord 3. Eviction procedures 4. Withholding of rent 5. Security deposits | <p>A. describe at least five duties a landlord has to a tenant.</p> <p>B. describe at least five duties a tenant has to a landlord.</p> <p>C. discuss eviction procedures.</p> |
| <p>B. Types of Leases</p> <ol style="list-style-type: none"> 1. Estate for years 2. Period to period 3. Estate at will 4. Tenancy at sufferance and self-help | <p>A. identify the major differences between different leases.</p> <p>B. when given a case study, identify which lease would be appropriate to use.</p> |

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| C. Common Lease Provisions and Clauses <ol style="list-style-type: none"> 1. Tenant's use of property <ol style="list-style-type: none"> a. Fixtures b. Repairs 2. Assignment or sublet 3. Renewal 4. Landlord's right to enter and inspect 5. Grounds for termination 6. Constructive eviction 7. Implied order of habitability | <ol style="list-style-type: none"> A. identify the main provisions of a typical property management contract. B. discuss the risk management activities of a property manager. |
| D. Rental Payments <ol style="list-style-type: none"> 1. Fixed or flat: gross 2. Net 3. Percentage 4. Graduated 5. Reappraisal 6. Index 7. Ground 8. Mineral | <ol style="list-style-type: none"> A. identify the various types of rental payments. B. discuss some of the various ways to figure rental payments. |
| E. The Property Manager <ol style="list-style-type: none"> 1. Employment contract 2. Property manager's duties. | <ol style="list-style-type: none"> A. identify the various types of things that should and should not be included in a property manager's employment contract. |
| F. Sale/Leaseback | <ol style="list-style-type: none"> A. define the term "sale and leaseback" and give situations when it would be advantageous to use: <ol style="list-style-type: none"> 1. for the buyer. 2. for the seller. |
| <p>The additional eight hours of instruction on property management are taken care of in the subject areas listed to the right. These fall under other headings in this curriculum outline. They are all vitally important subject areas with which a property manager should be familiar. The items at the end of the list with an asterisk relate to rights of an owner, rather than a tenant. These are important, however, because rights the owner/lessor holds, or does not hold, will affect the rights which can be extended to the lessee.</p> | <p>Property management license law (in Utah Law) Contract law Lease-options First right of refusal Real vs. personal property Fixtures Trade fixtures Valuation of property (appraisal) Fair Housing Americans with Disabilities Act Sherman Anti-Trust Act</p> |

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| | Uniform Commercial Code Environmental issues (with emphasis on lead-based paint) *Encumbrances, both public and private *Deeds and deed restrictions *Land description *Bundle of rights *Limitations of rights: life estate, fee simple defeasible |
| V. SETTLEMENT - 6 HOURS | |
| A. Truth in Lending 1. Loans covered 2. Annual Percentage Rate (APR) 3. Advertising 4. Disclosure requirements 5. Right of Rescission | A. explain the purpose of the APR and how it differs from the interest rate. B. explain what a “trigger term” is and the effects of using a trigger term in advertising. |
| B. Real Estate Settlement and Procedures Act (RESPA) 1. Good faith estimates 2. HUD booklet 3. Prohibition against kickbacks 4. Limitations on escrows for taxes and insurance | A. list and describe the RESPA requirements and restrictions. |
| C. Settlement and Closing 1. HUD 1 Form 2. Federal Truth-in-Lending disclosure form | A. define closing as it relates to a real estate transaction. B. describe the participants to a closing and where it takes place. C. define the main areas of the HUD 1 form. D. differentiate between debits and credits and explain how it is determined where each goes on the settlement statement. E. explain how existing liens are released during the closing process. F. given appropriate information, complete a sample closing statement. |

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| D. Prorations <ol style="list-style-type: none"> 1. Mortgage balance 2. Interest in arrears/advance 3. Taxes 4. Rents 5. Contract balances 6. Insurance 7. Liens | A. solve mathematical proration problems. |
| E. Title Insurance | A. compare and contrast the following types of title insurance: <ol style="list-style-type: none"> 1. standard policy. 2. ALTA (lender's) policy. 3. extended policy. 4. plain language policy. B. explain why buyers and sellers should obtain title insurance. C. define subrogation. |
| VI. FEDERAL TAXATION - 2 HOURS | |
| A. Deductions for Homeowners <ol style="list-style-type: none"> 1. Mortgage interest 2. Real property taxes | A. identify the tax benefits of home ownership. B. define capital gain and equity. C. define and give examples of tax basis. D. differentiate between tax deferred and exclusion. |
| B. Tax on Sale of Personal Residence | A. explain how to compute the capital gain when selling your personal residence. B. explain the \$250,000/\$500,000 exclusion and when it applies. |
| C. Tax on Sale of Investment Property | A. define capital gain, cost recovery, and adjusted cost basis. B. explain depreciation as it relates to investment properties. |
| D. 1031 Exchange | A. explain the overall principles that govern exchanges; i.e., like for like. B. list the circumstances where tax would be due and payable in an exchange. |

| VII. REAL ESTATE FINANCE - 16 HOURS | |
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| A. Role of the Federal Government in Financing <ol style="list-style-type: none"> 1. HUD (FHA, VA) 2. Federal Reserve System | <ol style="list-style-type: none"> A. recognize and explain the different roles of the following: <ol style="list-style-type: none"> 1. primary mortgage (money) market. 2. secondary mortgage (money) market. 3. direct or institutional lenders. 4. indirect sources of funds. B. explain the role and function of the Federal Reserve System as it applies to mortgage lending. C. explain how the Federal Reserve System uses the Discount Rate and the Reserve Requirement to regulate the flow of money in America. |
| B. Primary Money Market <ol style="list-style-type: none"> 1. Direct Lenders <ol style="list-style-type: none"> a. Savings and loans b. Commercial banks c. Mutual savings banks d. Credit unions e. Mortgage companies f. State agencies g. Federal Land Bank h. Farmers Home Administration 2. Indirect sources of funds <ol style="list-style-type: none"> a. Life insurance companies b. Pension funds c. Investment groups d. Secondary mortgage market | <ol style="list-style-type: none"> A. list at least five direct lenders of the primary money market. B. identify indirect sources of funds and explain how they reach the primary money market. |
| C. Secondary Money Market <ol style="list-style-type: none"> 1. Role of the underwriter 2. Federal National Mortgage Corporation - FNMA 3. Government National Mortgage Corporation - GNMA 4. Federal Home Loan Mortgage Corporation - FHLMC 5. Discounting process | <ol style="list-style-type: none"> A. discuss the importance of the underwriter and how the underwriter goes about approving or disapproving loans. B. explain to a client or customer how the secondary money market influences the obtaining of a loan when purchasing a home. C. explain a "discounted note". |

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| <p>D. Types of Loans by Method of Repayment</p> <ol style="list-style-type: none"> 1. Term or straight 2. Amortized <ol style="list-style-type: none"> a. Fully amortized b. Partially amortized c. Negatively amortized 3. Adjustable rate | <ol style="list-style-type: none"> A. differentiate between a straight note (term loan) and an amortized loan and explain the advantages and disadvantages of each. B. compare and contrast fixed rate loans and adjustable rate loans. |
| <p>E. Types of Loan Programs</p> <ol style="list-style-type: none"> 1. Purchase money 2. Construction 3. Blanket 4. Package 5. Shared appreciation 6. Reverse annuity 7. Bridge, gap or swing loan 8. Wraparound | <ol style="list-style-type: none"> A. display an introductory understanding of the various types of loan programs. B. define some of the differences of the various loan programs. |
| <p>F. Qualifying for a Loan</p> <ol style="list-style-type: none"> 1. Credit report 2. Adequacy of borrower's assets 3. Stability of income 4. Adequacy of income 5. Appraised value 6. Loan to value ratio 7. How title is held 8. Loan term 9. Mortgage insurance (PMI) | <ol style="list-style-type: none"> A. explain how each of the loan underwriting concepts impacts on the process of creating a loan. |
| <p>G. Clauses Used in Loans</p> | <ol style="list-style-type: none"> A. identify and explain five different clauses one might find in a loan. |
| <p>H. Mortgage Law</p> <ol style="list-style-type: none"> 1. Lien theory vs. Title theory 2. Promissory note and security agreements <ol style="list-style-type: none"> a. Mortgage b. Trust Deed or All Inclusive Trust Deed (AITD) c. Uniform Real Estate Contract 3. Foreclosure | <ol style="list-style-type: none"> A. identify the critical differences between the title theory and the lien theory. B. explain which one of the theories applies in Utah and why lien theory is the preference of most states. C. compare and contrast a mortgage and trust deed. D. define the foreclosure procedure of a judicial foreclosure and the procedure of foreclosure under a deed of trust. |

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| | <p>E. define the following:</p> <ol style="list-style-type: none"> 1. mortgagor 2. mortgagee 3. trustor 4. trustee 5. beneficiary 6. power of sale |
| VIII. VALUATION AND APPRAISAL - 6 HOURS | |
| <p>A. Definition of an Appraisal</p> <p>1. Comparative Market Analysis</p> <p>B. Basic Economic Principles Influencing Value</p> <ol style="list-style-type: none"> 1. Supply and demand 2. Anticipation 3. Substitution 4. Conformity 5. Contribution 6. Competition 7. Change 8. Highest and best use 9. Regression and progression | <p>A. define appraisal and market value and differentiate between each.</p> <p>B. define and show application of each of the appraisal principles as relates to the value of real estate.</p> |
| <p>C. Three Approaches to Estimating Value</p> <ol style="list-style-type: none"> 1. Sales Comparison 2. Cost <ol style="list-style-type: none"> a. Reproduction vs. replacement cost b. Depreciation: physical deterioration, functional obsolescence and external obsolescence 3. Income <ol style="list-style-type: none"> a. Capitalization rate b. Gross rent or gross income multipliers | <p>A. list the three approaches to value.</p> <p>B. compare and contrast the three approaches and indicate when each would most appropriately be used.</p> <p>C. explain the steps in the sales comparison approach.</p> <p>D. explain the steps in the cost approach.</p> <p>E. explain the steps in the income approach.</p> |

| IX. NEW CONSTRUCTION - 2 HOURS | |
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| A. Differences in a Sale Between New Construction and Existing Structures | A. explain how the process of new construction sales differs from that of existing structures. B. explain the differences between the time line for new construction closings and existing structure closings. C. articulate some of the legal safeguards that must be taken to protect the builder and the buyer; e.g., deposits, construction loan draws, etc. D. describe the priority subordination process involved when a builder builds on a lot that is not yet paid off. E. explain how warranty plans affect buyers and what most do and do not cover. |
| B. Financing for New Construction 1. Construction loans 2. Lines of credit 3. Disbursement of “draws” 4. Mechanics liens | A. explain the different methods of disbursing construction loans. B. explain who is entitled to place a mechanics’ lien in Utah and how the Lien Recovery Fund works. C. explain how construction monies must be handled by the agent. D. articulate the differences between fixed cost contracts and cost plus contracts. |
| X. MATH SKILLS - 4 HOURS | |
| A. Financial Math B. Appraisal Math C. General Math | A. perform percentage calculations. B. Compute the following: 1. simple interest 2. profit and loss 3. loan origination fees 4. loan discount points 5. net operating income 6. area 7. volume 8. capitalization rates (simple problems) 9. commissions 10. property tax (mills, per \$100, per \$1000) 11. simple closing prorations 12. simple amortization problems |

| XI. FEDERAL LAWS - 3 HOURS | |
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| A. Fair Housing Act and Amendments <ol style="list-style-type: none"> Protected classes and explanation of each Federal laws and court cases Prohibitions Exemptions | <ol style="list-style-type: none"> list the protected classes and define the protections extended by the Act. explain how brokers/agents are not allowed to facilitate discrimination. describe the federal act that put “teeth” into the civil rights laws. |
| B. Environmental Regulations <ol style="list-style-type: none"> Types of hazards and disclosures EPA and other federal and state agencies Wetlands, flood plains Radon Lead-based paint and LBP disclosures | <ol style="list-style-type: none"> define what radon is. identify what the EPA “action level” is for radon. describe which homes are most likely to contain lead-based paint and why. explain the disclosure and addendum requirements for residential transactions relating to lead-based paint. |
| C. Equal Credit Opportunity Act (ECOA) | <ol style="list-style-type: none"> discuss the ramifications of a lender asking a female credit applicant if she is divorced and receiving alimony or child support. |
| D. Americans with Disabilities Act (ADA) | <ol style="list-style-type: none"> explain the law’s requirements to ensure employment and availability of goods and services to the disabled. |
| E. Sherman Anti-Trust Act | <ol style="list-style-type: none"> describe what constitutes “price fixing” and explain how to avoid it in the practice of real estate. |
| F. Uniform Commercial Code (UCC) | <ol style="list-style-type: none"> explain that this is the body of law that governs the transfer of personal property. |
| XII. UTAH LAW - 12 HOURS | |
| A. Definitions - .5 hours <ol style="list-style-type: none"> Real Estate Commission Division of Real Estate Principal broker, associate broker, sales agent | <ol style="list-style-type: none"> describe the differences between the Real Estate Commission and the Division of Real Estate describe the differences between the Division of Real Estate and the Utah Association of REALTORS. name the three different licenses available |

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| <p>B. Licensing - 1.5 hours</p> <ol style="list-style-type: none"> 1. When is a license required 2. Exemptions from licensing 3. Minimum qualifications for licensure as a broker or sales agent <ol style="list-style-type: none"> a. Education b. Examination c. Experience 4. License maintenance - Active or Inactive <ol style="list-style-type: none"> a. Broker affiliation b. Renewal c. Continuing education d. Transfers e. Terminations | <ol style="list-style-type: none"> A. explain the qualifications for licensure. B. explain the relationship between the principal broker and the sales agent. <ol style="list-style-type: none"> 1. describe the required process to change broker affiliation. 2. understand the effect of the broker's death, incapacity, bankruptcy, etc., on the sales agent licensee. C. define the process of renewing a license. <ol style="list-style-type: none"> 1. describe the continuing education process. D. explain the difference between an active and an inactive license and articulate the process for bringing a license off inactive status. |
| <p>C. Real Estate Office Procedures - 2 hours</p> <ol style="list-style-type: none"> 1. Records and documents 2. Trust account 3. Policies and procedures manual 4. Personal assistants | <ol style="list-style-type: none"> A. explain the sales agent's responsibility to the principal broker and the broker's responsibility to the sales agent. <ol style="list-style-type: none"> 1. explain the sales agent's responsibilities to follow the brokerage policies. B. explain the laws relevant to all real estate licensees regarding trust accounts. C. explain the laws regarding referral fees. D. differentiate between those duties that require a real estate license and those that don't. E. explain how personal assistants should be paid. |
| <p>D. Licensee's Conduct - 2 hours</p> | <ol style="list-style-type: none"> A. describe eight of the statutory 19 ways to lose a license. B. define the difference between the Utah Code and the Administrative Rules C. describe three actions of unprofessional conduct as found in the administrative rules. |
| <p>E. Enforcement - 1 hour</p> <ol style="list-style-type: none"> 1. Filing and notice of complaint, investigation 2. Trust account audits 3. Administrative action | <ol style="list-style-type: none"> A. explain the process of the Division's handling of a complaint against a licensee. B. explain the "due process". C. define at least three possible disciplinary sanctions against a licensee. |

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| F. Real Estate Education, Research and Recovery Fund - .5 hours | A. explain the function of the Recovery Fund. |
| G. Other Utah Real Estate Acts - 1 hour <ol style="list-style-type: none"> 1. Utah Uniform Land Sales Practices Act 2. Timeshare and Camp Resort Act 3. Marketable Record Title Act 4. Condominium Ownership Act 5. Utah Exemptions Act 6. Mechanic's Liens <ol style="list-style-type: none"> a. Lien Recovery Fund b. General provisions | <ol style="list-style-type: none"> A. give a brief description of the purpose of the Uniform Land Sales Practices Act and the Timeshare and Camp Resort Act. B. describe the effects of the Utah Marketable Record Title Act. C. explain who can and who cannot file a mechanic's lien. |
| H. Water Rights - .5 hours <ol style="list-style-type: none"> 1. Water history 2. Water appropriation | <ol style="list-style-type: none"> A. name and describe the Utah system of water law. B. explain the differences between riparian water law and prior appropriation systems. |
| I. State Approved Forms - 1 hour <ol style="list-style-type: none"> 1. Real Estate Purchase Contract 2. Addenda <ol style="list-style-type: none"> a. Lead Based Paint Disclosure and Addendum b. Survey Addendum c. Seller Financing Addendum d. Buyer Financial Information sheet e. FHA/VA Addendum f. Assumption Addendum 3. Real Estate Purchase Contract for Residential Construction 4. Uniform Real Estate Contract 5. All Inclusive Trust Deed 6. All Inclusive Promissory Note | <ol style="list-style-type: none"> A. identify the approved forms and addenda a licensee may fill out and the circumstances under which each should be used. B. explain the circumstances under which attorney-prepared forms may be completed instead of the approved forms. C. explain the limits of practicing contract law placed on real estate professionals. D. understand and explain the liability imposed upon licensees for their failure to correctly complete forms or for their giving inappropriate advice on the contents filled in on the forms. |

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| J. Real Estate Purchase Contract (REPC) - 2 hours | A. identify the following provisions of the REPC: <ol style="list-style-type: none"> 1. earnest money receipt. 2. earnest money deposit and forfeiture 3. description of the property 4. sales price and financial terms 5. closing and settlement dates 6. date of possession 7. property condition 8. property inspection and disclosure clauses. 9. contingencies 10. signatures and dates 11. confirmation of agency |
| XIII. TESTING AND REVIEW - 9 HOURS | |

It is incumbent upon each and every instructor to integrate *ethics* and *honesty* into all courses, subjects, etc. The absolute necessity of conducting business in a legal, ethical and honest manner should be emphasized and illustrated in every class, along with the fact that all interactions with clients and customers should be pursued with a high standard of ethics and fair play.

Ethics and honesty come up naturally in many of the subject areas of the course, and those occurrences also provide good examples to illustrate the principle of ethics; for example, Agency. The teaching of ethics through precept and example can't be emphasized strongly enough, and the most effective way to do that is to incorporate it throughout the entire course instruction.

Summary of Course by Hour:

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| Ownership of Real Estate | 12 hours |
| Real Estate Brokerage and the Law of Agency | 6 hours |
| Contracts | 8 hours |
| Property Management | 4 hours |
| (Plus 8 hours found in other related subjects) | |
| Settlement | 6 hours |
| Federal Taxation | 2 hours |
| Real Estate Finance | 16 hours |
| Valuation and Appraisal | 6 hours |
| New Construction | 2 hours |
| Math Skills | 4 hours |
| Federal Laws | 3 hours |
| Utah Law | 12 hours |
| Testing and Review | <u>9 hours</u> |
| TOTAL | 90 hours |